The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. CONAWAY) is recognized for 5 minutes.

(Mr. CONAWAY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. GILCHREST) is recognized for 5 minutes.

(Mr. GILCHREST addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. GINGREY) is recognized for 5 minutes.

(Mr. GINGREY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

MORTGAGE FORECLOSURE CRISIS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 60 minutes as the designee of the majority leader.

Ms. KAPTUR. Mr. Speaker, I wonder if the American taxpayers know that they are now the insurance company for Wall Street and for Wall Street's high-risk investors.

I am very pleased to begin this evening joined by our dear and respected colleague from the great City of Cleveland, Congressman DENNIS KUCINICH, and would yield the first portion of the hour and such time as he may consume on the very important subject of the mortgage foreclosure crisis and the financial crisis facing our Nation.

Mr. KUCINICH. I want to thank the gentlelady from Ohio, my long-time friend and colleague, Representative MARCY KAPTUR, for organizing this special order and for her continued commitment to addressing the foreclosure crisis, which is ravaging communities like Toledo and Cleveland and cities across this country.

I would also like to thank Chairwoman MAXINE WATERS for her persistence in addressing the foreclosure crisis and the subprime crisis. It has been an honor for me to work with Congresswoman KAPTUR and Congresswoman WATERS on this very important matter.

My subcommittee, the Subcommittee on Domestic Policy of the Committee on Oversight and Government Reform, a subcommittee of which I am chair, has held five hearings over the past 2 years regarding the foreclosure crisis, predatory lending, lasting effects.

What we have found is that neighborhoods are totally blameless victims of the foreclosure crisis. When homes are lost to foreclosure, property values of the surrounding homes plummet, and owners lose equity in their homes.

When you go into a neighborhood like Slavic Village in Cleveland where I am from, and you look how certain people built a community there, an older ethnic community, where people would take pride in their property, in keeping it immaculate, and then you see foreclosures in the community. Suddenly, someone who has had a property that they have kept up for 40 or 50 years, sees their property values decline because of the foreclosures around them and sees their property actually at risk, the fire hazards and safety hazards because of the foreclosures around them.

We are seeing people who, for their family, their home is their biggest investment in their life. That's the way it is for most Americans, seeing their investments threatened because of the sharp practices in subprime lending, and in the foreclosure scandal that has hit this country that Congresswoman KAPTUR has been one of the primary spokespersons on in terms of exposing.

We see these demands for services, municipal services. They increase as the foreclosures run wild, more police and firemen needed where there are a lot of foreclosed homes, increased social services and code enforcement. When you think of a foreclosed home, the cost of the foreclosed house goes far beyond the cost of the house itself.

Unfortunately, the State of Ohio and the City of Cleveland have been at the center of this crisis for some time now. According to RealtyTrac, which is an independent group that gathers information on foreclosure, four Ohio cities are in the top 20 metropolitan areas affected by foreclosures. Moreover, the Cleveland metropolitan area ranks sixth in the Nation for percentage of houses in foreclosure, which is a staggering statistic, considering our city's modest property values and the cost of living, which in Cleveland is relatively inexpensive.

Ms. KAPTUR. If the gentleman would yield just for a moment.

Mr. KUCINICH. I would certainly yield to my friend.

Ms. KAPTUR. Perhaps I could point out on the map, of course, Cleveland the most affected region of Ohio, Cuyahoga County, if we look back to 1997, here, and you just look at the colors alone, you have a sense of how many people are actually losing their homes in that region versus Columbus, Ohio; Cincinnati, Ohio; my own region, the greater Toledo area. The change between 2007 and 1997 in the last decade, it's just, it's profound.

Mr. KUCINICH. If I may, what the gentlelady points out, you can look at the research that uses foreclosure and lending data. In Cleveland, the parts of the city where the depository banks made very few prime loans, they also saw the highest percentage of subprime loans and subsequently, or consequently, the highest number of foreclosures.

So it should not be the least bit surprising to anyone, then, that the pattern of foreclosures mirrors almost exactly the established patterns of low-prime loans and high numbers of subprime loans.

Ms. KAPTUR. Absolutely, and each red dot on this map of Ohio represents 10 foreclosures. If we look at the same period of time and how many new filings are fueling this foreclosure growth, we can go back to 1997 and look at 21,000 filings every single year. The number increases to where last year there were over 83,230 filings. Many of those, the gentleman states, so-called subprime, concentrated in communities that were working class and poor. There was a targeting going on around this country.

Mr. KUCINICH. No question about it, to my good friend MARCY KAPTUR.

If we dug a little bit deeper, and we saw some patterns that reflected exactly what you have said, the patterns coincide with some cases with African-American neighborhoods because look what happened, for years, people in African-American neighborhoods couldn't get any loans at all. Then what happened, the Community Reinvestment Act passed, and we were supposed to have access to, finally, to credit.

But banks found a way to go around that. Instead of offering prime loans to people of color, they came up with these subprime packages, no document, low-document loans, didn't tell people exactly what was going on. As a result, people got in over their heads, and they ended up losing their homes.

Now, some people will say well, they should have known. But let me tell you something. One of the most significant challenges in this country is a issue of financial literacy. It's not a color issue, because the fact of the matter is that working-class people are and people who are poor people, often have a problem with the issues of the financial literacy. It's called reading the fine print, looking at the bottom line.

So you rely, and you trust people, you think that the banks are going to be fair to you. You think they are going to tell you the whole story. You think that you are going to be given an opportunity to have an even break. Not so, you look at the filings.

Ms. KAPTUR. If the gentleman, my dear friend Congressman KUCINICH would agree with this, in many of those neighborhoods there literally were no regular banks. In other words, they red lined the community providing no decent financial institutions, leaving them with those payday cash checking or check cashing operations in those communities.

Then all of the money that would flow into those communities, whether it was Social Security for senior citizens who had worked, veterans disability benefits for people who had served our country, where would they take that check to cash it?

□ 2000

There was no place. It was redlined. So those dollars were systematically